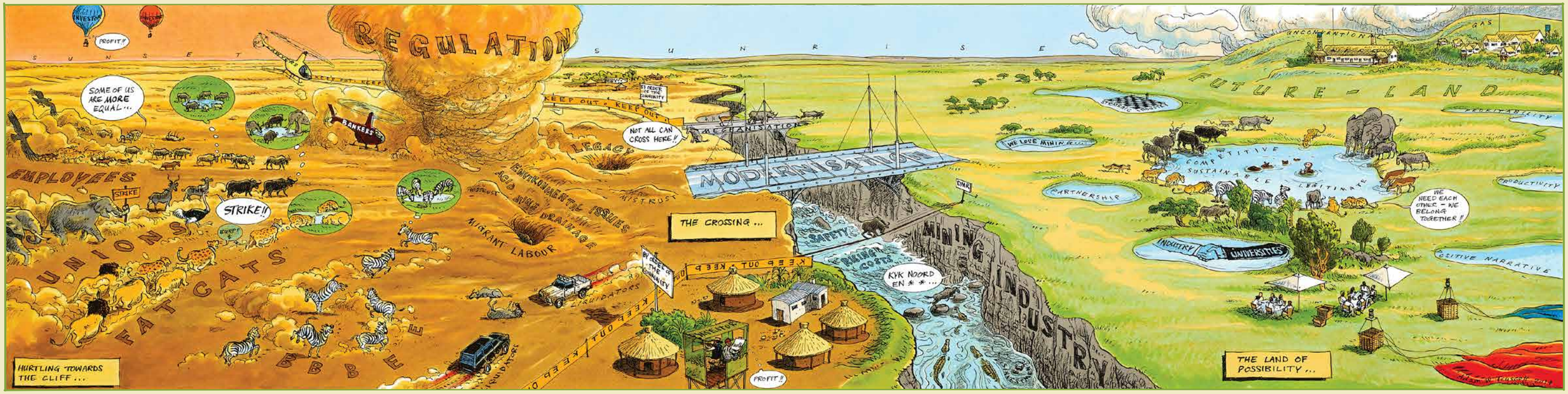
THINKspiration
STRATEGY TO STORY

MIGRATING TO THE FUTURE

Joburg THE INDABA
INVESTING IN RESOURCES AND MINING IN AFRICA



CHAIRMAN'S SUMMARY

Dear Industry

We've come a long way together. Been through some good and tough times. I think about you a lot and lately the same picture keeps coming to mind. I see you (actually us) as a huge bunch of herd animals migrating, maybe even storming across the African plains. We're not a united bunch. There are very distinctive herds: the employees, the unions, the inevitable fat cats, the BEEs (causing confusion and kicking up dust rather than really moving forward) – each dreaming of a future that's theirs alone. Indeed we are all equal….But some of us are just a bit MORE equal…

Scorched earth in our wake, treacherous terrain ahead, the huge cloud of regulatory uncertainty obfuscating almost everything (a bit like a Free State dust storm) - we are hurtling toward the cliff, egged on by the bankers and lawyers buzzing overhead. (Someone needs to pay for those Sandton highrises after all!).

Investors float above this sorry scenario, sharpshooting specific prey, but untroubled: they don't have to land in this mess – they have other options, other destinations, after all.

Communities are clear – they don't want us anywhere near (despite many of them owing their very existence to us) - which really just gives us less and less to work with. We pray for rain (in the form of commodity price boom, or currency weakness) but there's no sign of that.

Some of us have reached the "cliff", and are attempting to cross over into "future-land". Mechanisation is an option but not all can cross here. Some are attempting to walk the tightrope of DMR compliance, believing that it alone is the route to a better future. Others are just taking every step as it comes, as we do in mining - the "kyk noord" approach. All the while the river below roils with threats to our very existence: rising costs, safety issues, potential disinvestment.

Is there really a better future for us? What could it look like? Most importantly what would we have to do, what "bridge" would we need to construct to cross into it?

These were the questions that defined our conversations at the 2014 Joburg Indaba. Rather than kicking up the same old dust – we tried to paint the picture of a future we could create and would be happy to be part of.

This is what emerged: we (**ALL** stakeholders) need to realize that whether we like each other or not – we **NEED** each other. For even one of us to drink at the legitimate, competitive, sustainable industry waterhole of the future, **ALL** of us have to be there. Realising that we need each other and belong together should frame the trade offs and compromises that are inevitable.

This is partnership. Without it we die. And so do the other 3 P's (productivity, profitability, positive narrative) that emerged from our conversations as critical in defining our future. These are not new words – but they do take on new dimensions given a different context.

This new context is **MODERNISATION**. I truly believe it is the bridge to our future. It became abundantly clear during the course of the 2 days that if we always do what we've always done we'll always get what we've always got. This includes everything from shift arrangements to processes – but most specifically how we engage with and relate to our employees. Productivity takes on a fresh slant when you approach the employee as a human being rather than a production unit. Profitability too loses its one dimensional "I get rich at your expense" connotation. Positive narrative doesn't mean empty "spin". To change the narrative of a 100 + year old industry, in a way that unleashes potential and inspires hope requires that we actually have to change us!

MODERNISATION doesn't replace or exclude mechanisation: in my mind it's the more over-arching concept. Appropriate mechanisation of ore bodies that would otherwise have been sterilised as unprofitable demonstrates how highly skilled jobs can be created if we let go of the past. **MODERNISE.** Change our perspective. Think, and do, differently.

Industry, as you may know, I opened the 2nd Joburg Indaba quoting well known author Nancy Kline's mother's words to her, shortly before she died. I would like to re-iterate this and direct it to the next generation, impatiently waiting for the opportunity to step up and do it differently:

"I apologize for the mess my generation has imposed upon yours. I wish I could have left you a better legacy. I just hope I have left you a measure of courage to face what we have done, and a measure of hope to do something about it."

If our Future Generation panel is any indication, you are indeed in safe hands!

Until next time

Bernard Swanepoel